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*Taxation in American States and Cities.* By RICHARD T. ELY, Ph.D., assisted by JOHN H. FINLEY, A.B. New York, T. Y. Crowell & Co., 1888.— 8vo, xx, 544 pp.

Some months ago the Maryland tax commission issued its report, to which was appended a supplementary report by Professor Ely. This supplementary report is now published in a revised form, with considerable additions; but as the new matter consists, with the exception of a few preliminary general remarks, mainly of historical and statistical information, and as the report itself was reviewed in the June number of the *POLITICAL SCIENCE QUARTERLY* (vol. iii, pp. 371-373), there is little occasion for extended criticism of the present volume. Part IV, however, is worthy of mention as containing some exceedingly convenient tables compiled from various sources, and relating to constitutional provisions, state and municipal revenue, expenditure, indebtedness, *etc.*

Dr. Ely's definition of taxes does not seem very felicitous:

Taxes are simply one-sided transfers of economic goods or services demanded of the citizens, and occasionally of those not citizens, but who, nevertheless, are within the reach of the taxing power, by the constituted authorities of the land, for meeting the expenses of government, or for some other purpose, with the intention that a common burden shall be maintained by common contributions or sacrifices.

This definition is neither concise nor precise. The word "individuals" would express the same idea as "citizens and occasionally those not citizens," *etc.*; but in neither form would the definition include corporations and other juristic persons. Again it is difficult to see the reason for attempting to define the purpose of taxation, when it is necessary to clothe the idea in such a vague phrase as "for meeting the expenses of government or for some other purpose." It would be better to omit all mention of the purpose, if it cannot be clearly expressed.

As Dr. Ely informs us in the preface that the work is not intended for specialists, it would be unfair to lay too much stress upon certain omissions in Part I, as, *e.g.*, in the definition of direct and indirect taxes, where no mention at all is made of various explanations other than the author's. The book fulfils its avowed purpose of being a popular work by giving the accepted general principles in an unvarnished and easily intelligible fashion. And one interesting feature consists in the abundant use of more or less unfamiliar illustrations drawn chiefly from American experience.

Part II, or "Taxation as it is," is evidently the result of considerable labor. The chapter on colonial taxation does not pretend to be exhaustive, and naturally leaves the greater portion of the field still open to searchers. Thus, *e.g.*, no mention is made of the forced loans in New

York, of the chimney taxes in various colonies, *etc.* The distinction again between the property tax and the land tax in the different colonies is not carefully developed. A comprehensive account of colonial taxation would touch on all these topics and many more. Many of the colonial peculiarities may be directly traced to English precedents. So the provision (which Dr. Ely finds so curious) that each taxable was required to tell what his neighbors were worth (page 141) is nothing but a re-application of the common mediæval rule, found already in the grant of the fifteenth to Henry III in 1225. The account of what the author calls the transition period from the colonial system to the method of taxing all property, is somewhat fragmentary, owing as it seems mainly to inability to procure the facts. Here there are great gaps to be filled in future. By far the best chapters in this part are those republished from the Maryland report and containing the result of the author's researches into the actual experience of several states. The net result is to reinforce the judgment of all experts on the matter, that the attempt to reach all property is and must be a lamentable failure.

In Part III, or "Taxation as it should be," are contained Dr. Ely's propositions for a reform of our system. The main points were already touched upon in the Maryland report, and but little has been changed in this volume. The income tax is upheld, and the proportional rather than the progressive principle is favored. Dr. Ely is certainly correct in his assertion that the opposition to an income tax has been grossly exaggerated. Those who escape all taxation through the present methods are indeed opposed to it; but it will be found on examination that many business men, especially in those localities where any attempt is made to enforce the taxation of personal property, are in reality not at all inimical to the income tax. The objections to it obtain in still greater degree against the personal property tax.

The elaborate bill drawn up by the Maryland commission, and containing some of these reform projects, met with the usual fate of such measures: it was quietly killed and laid to rest, chiefly through the agency of interested parties. But many of the suggestions contained in Dr. Ely's book are worthy of notice by our legislators. It is a striking fact that we are still coping with a series of questions long since adjudged in other countries, and Dr. Ely at least deserves the credit of being the first to write, if not a comprehensive, yet at all events an instructive work on the subject. The value of his practical experience as tax commissioner is seen in his handling of pending problems. The work is not so much a serious contribution to the science proper as a plain and temperate discussion of every-day facts. In this lies its usefulness.

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